



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 7, 2008

TO: Mayor and Councilmembers

FROM: Housing and Redevelopment Division, Community Development Department

SUBJECT: Rental Housing Mediation Task Force Program Status Update

RECOMMENDATION:

That Council receive a report on the status of the Rental Housing Mediation Task Force Program (RHMTF).

EXECUTIVE SUMMARY:

According to the 2000 Census, there are 20,648 rental units in the City of Santa Barbara (58% of all housing units). The Rental Housing Mediation Task Force Program (RHMTF) was formed to help tenants and landlords resolve their residential rental housing disputes out of court and prevent homelessness. Due to budgetary constraints consisting of reduced revenues from the HUD-funded Community Development Block Grant Program, the main RHMTF funding source, the program has experienced staffing reductions over the past several years. During the adoption of the Fiscal Year 2009 budget, Council requested a report back after 60 days of the fiscal year on the status of the RHMTF in light of the most recent staffing reduction that was approved in the budget. This report provides that information and discusses alternative sources of funding for the program.

DISCUSSION:

The Rental Housing Mediation Task Force Program (RHMTF) has been in operation since 1976. The program helps to resolve tenant and landlord residential rental housing disputes out of court by providing information and/or staff consultation on tenant-landlord rights and responsibilities and through mediation services. Information is provided by staff consultations conducted in the office or by telephone. Mediation is a voluntary process that helps people settle disputes through the use of a neutral third party. It differs from litigation by allowing the parties to devise a mutually satisfactory agreement rather than relying on the judicial system to impose a decision. Mediations are conducted over the telephone by staff or in the office with the assistance of two of the 15 trained volunteer mediators who are appointed to the Rental Housing Mediation Task Force by Council. Staff and volunteer mediators are trained in mediation in

accordance with the California Dispute Resolution Programs Act Regulations for the training of neutrals. The majority of work is handled by staff.

Background

Historically, the RHMTF program has been staffed by two full-time employees and one or two part-time temporary employees. The part-time positions were eliminated in Fiscal Year 2007 due to budgetary constraints. The program operated with two full-time employees during Fiscal Years 2007 and 2008. Facing further reductions in the amount of funding available for this program, the Fiscal Year 2009 budget proposed to staff the program with one full-time employee (Senior Rental Housing Mediation Specialist) and eliminate the additional full-time Rental Housing Mediation Specialist position. This position has been vacant since May 2008.

The Senior Rental Housing Mediation Specialist began operating the program as the sole staff person on May 12, 2008. To address this staffing adjustment, some changes were made to the program to lessen the workload: one of our administrative specialists began inputting the statistical data; the RHMTF began meeting quarterly rather than monthly; our administrative specialists began answering the calls and relaying messages to the program staff; the budget included monies for temporary employees during periods of vacation and/or sick leave; and landlord/tenant information was made available on the web and people were encouraged to research on their own before calling with questions.

While some of these changes were successful in lessening the workload of the program, others were not so successful. For instance, staff found that people responded negatively when directed to our website to research landlord/tenant rules on their own. The majority of people who contact the RHMTF program are in crisis and need a live person to listen to their predicament and provide immediate information regarding their rights and responsibilities. We also quickly found out that the public was not adequately served by having our administrative specialists answer the calls and take messages for the program staff. Many calls were lost in the "phone tag" that resulted, and RHMTF staff did not have time to return every call. As a result of the increasing backlog of program inquiries, funds set aside for temporary employees during staff absences and program reserve funding, which was approved by Council as part of the Fiscal Year 2009 budget, were used to hire two temporary part-time employees (up to 20 hours per week each). The first temporary employee was hired on August 4, 2008, and recruitment for the second position is underway. One works from 8:30 a.m. to 12:00 noon and the second will work from 1:00 to 5:00 p.m.

Analysis

A statistical analysis of the RHMTF program shows a marked reduction in the number of people served over time. We do not believe that this is the result of decreased need but rather it parallels the number of staff working in the program.

The Attachment shows the number of people served by the RHMTF program during the past five years. The number of people served fell from an average of 2,500 in Fiscal Years 2004 through 2006 to 2,000 in Fiscal Years 2007 and 2008, when the program was reduced to two full-time employees. We projected that it would decrease further with the reduction to one full-time employee in Fiscal Year 2009. However, the actual number served for Fiscal Year 2009 will probably be higher than projected, with the addition of two part-time temporary employees.

The unmet need was evident during the 2½-month period that the Senior Specialist was alone in the program. In June 2008, there were 63 calls that went unanswered and in July that number reached 90. In August, after one of the part-time temporary aides was hired, the number of unanswered calls dropped to 41. The number is expected to continue to drop after the second aide is hired and trained.

Potential Additional Funding Sources

There are adequate funds in the current Fiscal Year 2009 budget to operate the RHMTF program at the reduced service level with one full-time Senior Rental Housing Mediation Specialist and two part-time temporary aides. For Fiscal Year 2010, staff estimates adequate funding to operate the program with one full-time specialist (without any temporary part-time aides). The estimated shortfall to continue to operate with a full-time specialist and two part-time temporary aides is approximately \$40,000. The estimated shortfall to operate the program with two full-time specialists is \$85,000 - \$90,000. These estimates depend upon our CDBG funding level from HUD (which has been decreasing annually), our CDBG program income from the Housing Rehabilitation Loan Program (also decreasing annually), as well as funding levels from the County of Santa Barbara, the City of Goleta and the City of Carpinteria. Without another ongoing funding source for the program, the full-time specialist position may need to be reduced to ¾ or ½ time in future fiscal years.

After a brainstorming session with members of the Rental Housing Mediation Task Force, staff is reviewing the following alternative funding sources for the RHMTF program, all of which have impediments or drawbacks. Many of them are not guaranteed revenue sources and would not provide the ongoing revenue stream needed to fund a full-time permanent position.

1. **Business License Tax Increase** – The City currently receives approximately \$300,000 per year in business license tax revenue from rental property owners (both residential and commercial). This equals 14 percent of the City's overall business license tax income. Any increase in the business license tax will require a vote of the people: a simple majority if the use of the funds were not going to be restricted to a particular program; a two-thirds majority if the funds were going to be restricted to the RHMTF or any other particular program.

2. Santa Barbara Rental Property Association (SBRPA) Fee/Contribution – The SBRPA supports the RHMTF program and its goal of keeping landlords and tenants out of court. When approached about the possibility of supporting the program through voluntary monetary contributions, SBRPA staff indicated that the board would entertain a proposal. However, there was concern that the RHMTF program may be viewed as being biased towards landlords if funded by them.

3. Fundraising Through Housing Authority Non-Profit – The Housing Authority has formed a new non-profit, Second Story Associates, to raise monies for their client services. They have indicated that they would be willing to consider fundraising for the RHMTF through this non-profit entity and passing the funds on to the program. Fundraising, either through direct solicitation or grant writing, would require a significant amount of staff time, and funding would not be guaranteed on an annual basis to support a permanent position.

4. Increase in Funding from Other Jurisdictions – The City currently contracts with the County of Santa Barbara, the City of Goleta and the City of Carpinteria to provide RHMTF services to their constituents. Based upon population and historical service provision to these jurisdictions, they are each currently paying their share of program costs. The City of Carpinteria funds come through an annual grant to the County of Santa Barbara Community Development Block Grant (CDBG) program. The RHMTF program competes with other social service agencies for this unsecured funding source. In Fiscal Year 2007, the program received \$10,000; in Fiscal Year 2008 the allocation was reduced to \$7,000. The reason given was the competition from other organizations. The County has asked that the program apply for the same CDBG funding source for services to the unincorporated areas of the County instead of relying on County general fund revenues for Fiscal Year 2010. The competition is expected to be even greater next year. For these reasons it is highly unlikely that the RHMTF program would receive additional funding from these sources. The funding currently received from these other jurisdictions covers 30 percent of the Senior Rental Housing Mediation Specialist position.

5. City of Santa Barbara CDBG/Human Services Funding – The RHMTF program is eligible for both CDBG Public Service and City Human Services funding. As with the County CDBG process, grants would need to be written on an annual basis, reviewed by a funding committee and funding would not be guaranteed. Also, the amount needed to keep the program operating with two full-time employees (\$60,000) is higher than any one grant given through the process. The average grant is under \$18,000; the highest is \$54,000 (for a shelter).

6. General Fund – The City's general fund is another funding option. However, given the current state of the general fund budget, any general fund monies allocated to RHMTF would have to be taken from another existing use.

The Fiscal Year 2009 budget includes adequate funding to operate the program with the full-time specialist and two part-time temporary aides. This level of staffing should be adequate to meet the demand for service. Staff will continue to explore the viability of these and other funding sources for Fiscal Year 2010.

BUDGET/FINANCIAL INFORMATION:

The Fiscal Year 2009 budget for the Rental Housing Mediation Program is \$144,570. \$92,070 comes from Community Development Block Grant administrative funds and \$52,500 comes from the other jurisdictions served by the program. When developing the Fiscal Year 2009 budget, the program was faced with a \$60,000 shortfall. It costs approximately \$85,000 for a full-time Rental Housing Mediation Specialist. The amount for a half-time Rental Housing Mediation Specialist is approximately \$43,000, and the amount for two part-time temporary Rental Housing Mediation Aides is approximately \$40,000. The recruitment for the part-time temporary aide positions has attracted people who are looking for part-time work, either students or people recently retired from a full-time position.

ATTACHMENT: Rental Housing Mediation Task Force Historical Statistics

PREPARED BY: David K. Gustafson, Assistant Community Development
Director/Housing and Redevelopment Manager/SLG

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office

Rental Housing Mediation Task Force Historical Statistics

	2004	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Actual	Actual	<i>Proposed</i>
Annual Budget	\$211,373	\$207,890	\$181,782	\$175,846	\$180,515	<i>\$144,570</i>
CDBG	\$152,370	\$168,477	\$143,141	\$139,333	\$125,515	<i>\$92,070</i>
Other Jurisdictions	\$59,003	\$39,413	\$38,641	\$36,513	\$55,000	<i>\$52,500</i>
Staffing	2 f/t 2 p/t	2 f/t 2 p/t	2 f/t 2 p/t	2 f/t	2 f/t through April	1 f/t 2 p/t
Information Calls	2,505	2,402	2,530	2,218	1,775	1,050
Forcible Evictions	46	30	33	29	22	
3-Day Notices	229	276	319	267	198	
% Immediate Need	11%	13%	14%	13%	12%	
Mediations	111	149	130	104	57	50
Outreach	12	10	11	11	10	7

